

## **Interim Report for the Fire Services Project**

This interim report provides an update on the work from phases one and two of the project approved by the Board in September 2014 to come up with recommendations for a more efficient, effective and sustainable fire service system in Sonoma County. It covers: some background and history of fire services in general and in Sonoma County specifically; a summary of the prior efforts from 1983 to the present in order to improve the fire service system in the County; a discussion of the scope elements of the project; some selected findings from the data and input received; the recommendations of the Advisory Committee developed in phase 2; a summary of the alternatives considered in reaching the recommendations; and a draft outline of the final report on the project to be produced in phase three which will go into more detail on all of the previous elements as well as document the direction from the Board of Supervisors for implementation of recommendations that were supported by the Board.

### **I. Background and History on Fire Services Generally and Locally in Sonoma County**

The devastating nature of fires and the magnitude of effort to respond to them has long motivated communal efforts for fire protection. There are references to fire brigades in ancient Rome and surely these practices occurred far earlier. More recent records point to the formation of fire departments by property insurance companies after the Great Fire of London in 1666. By 1679, a publicly funded paid fire department is established in Boston, Massachusetts and public and private fire departments begin to appear elsewhere in the east. Cities appear to begin to form their own fire departments more regularly throughout the 1800's, in some part in effort to avoid more widespread damages associated with fires in uninsured structures that might not get service from a private fire company. Sonoma County's fire service history begins during this era and key items are summarized below.

#### **1850's to 1900**

Fire departments begin to appear in Sonoma County, generally in towns and when water supply becomes available (e.g. 1857 – Petaluma Fire Department has its beginnings, 1858 – Healdsburg Fire Department established, 1885 – Monte Rio area being served by a volunteer fire company, 1886—Fire company established in Cloverdale, 1888 – City of Sonoma Fire Department founded, 1894 – Santa Rosa Fire Department established as Full time Fire Department – these dates come from these agencies websites but may not be the first incarnation of a formal group focusing on responses to fires in the area)

#### **1900 to 1970**

The state agency known today as CAL FIRE (formerly the Department of Forestry) is created and state law allows for fire protection districts to form. The Monte Rio Fire Protection District forms in 1920 and Geyserville and perhaps other agencies in existence in Sonoma County today are volunteer companies at the time. Between 1920 and 1960 several other fire protection companies and districts form and some districts dissolve as financially infeasible. In 1960, the County begins to levy a separate tax rate for fire protection in the unincorporated county area.

### 1970's

The Board of Supervisors forms a Fire Safety Committee to provide advice on structural fire protection in the County and commissions a study on fire services around 1974, (though this study was not found in the course of this project). Fire protection for structures in specific areas of the unincorporated county not in a fire protection district is provided by CAL FIRE (Forestry at the time) under contract to the County and by various volunteer fire departments also under contract to the County for specific areas. These contracts are funded with taxes levied for fire protection. The television program "EMERGENCY !" is popular and begins to shape perception of an evolving set of services provided by fire agencies.

Certain areas vote to increase taxes in their areas for fire protection (e.g. Sea Ranch through a County Services Area, Number 6 in this case). Statewide, there are taxpayer attempts to limit taxes, ultimately resulting in the passage of Proposition 13 by the voters of California resulting in a fixed share of the property tax dollar for the various governments funded by property taxes, among other things. This, in turn, reduces total property tax dollars going to each agency and the state devises methods to assist local agencies in augmenting their funding one of which includes generally shifting school funding responsibilities to the state. The state's Special District Augmentation Fund (SDAF) is another of these methods to assist other districts including fire districts and state law commonly referred to as AB 8, sets formulas for implementing property tax allocation in accordance with Prop. 13.

### 1980's

The County commissions another study on fire services in the County (1983 Hughes Heiss). Some study recommendations are implemented (central dispatch is provided by the Sheriff's office at county cost, a county department is formed to provide certain central services and the CAL FIRE contracts for central services and some direct structural fire protection are discontinued, though contracts with volunteers continue and new contracts with districts and cities are initiated). The implementation of the standard ability to dial one number for emergency calls (911) occurs in the county. The Fire Safety Committee changes in purpose and composition to advise and assist with implementation of the study's recommendations and broader fire related issues. Insurance and safety standards begin to change and become a more costly part of the provision of fire services. The Sonoma Local Agency Formation Commission (LAFCO) conducts a study on existing fire protection districts. Some fire agencies are providing ambulance services. New districts form and some annexations and consolidations.

### 1990's

The state's financial crisis in the early 1990's results in property tax shifts away from local governments and to schools to meet state obligations to the latter. These actions are commonly referred to as ERAF I and II after the Educational Revenue Augmentation Fund. The first of these impacts fire districts more severely and the second modifies the shifts to reduce

that impact. The Special District Augmentation Fund which has assisted fire districts since the implementation of Prop 13 is discontinued. Proposition 172 which dedicates a portion of the statewide sales tax to local public safety purposes is enacted to partially assist with the reductions to local government funding. County Services Area 40 is formed creating a special district for fire protection under the Board of Supervisors for all unincorporated areas not in an independent fire protection district and consolidating other County Services Areas previously used for fire protection. Other new fire districts form and some consolidate. The Fire Safety Committee brings recommendations forward on the transitioning of dispatch costs to the agencies receiving the services.

Insurance and safety standards continue to increase costs for fire agencies. Emergency Medical Services in the County undertakes a redesign effort which separates ambulance dispatch from the Sheriff's office and begins providing pre-arrival instructions for medical emergency callers to assist with stabilizing patients. The County and several cities join with the City of Santa Rosa to secure a federal grant for a shared computer aided dispatch and records management system which will increase officer time present in the communities they serve. Fire and ambulance services will also be dispatched using this system.

#### 2000 to Present

The County commissions a study to assist interested fire districts assess and address financial pressures and inform the Board of Supervisors generally (2001 City Gate). The Redwood Empire Dispatch Communications Authority is created between the County, most of the independent fire protection districts and several cities to provide a combined fire and emergency medical services dispatch using the new grant funded computer systems and move into the new Sheriff's Office building with the inception of the computer system. This provides an opportunity for more standardization in operations, and more efficient tactical coordination for medical and fire related emergency calls for service. The proliferation of cell phones changes methods for calling for emergency services and insurance and safety requirements continue to increase costs. LAFCO performs municipal service reviews of all agencies including single review for fire agencies (2005 EPS). The Board of Supervisors authorizes a multi-year effort to analyze the fire protection services provided in County Services Area 40 and to define the needs in accordance with a Standards of Cover approach. (2008 – 2012, ESCI). The recession beginning in 2008 increases financial pressures on all governments including fire agencies. In 2013, the Board begins to look at fire governance and finance issues and adopts this as a priority in 2014 resulting in this study.

## **II. Summary of Prior Reports**

This section provides a top level summarization of 7 prior reviews or other sets of documents concerning fire services in Sonoma County produced since 1983 with the intent of learning from work that has already been completed. The following is a group of observations, and attendant questions that might inform the Board of Supervisors 2014-2016 Fire Services project, taken

from the reports as a whole. Attached to this report as an appendix is the individual summarization of each of the prior reports.

Collectively, the reports provide a picture of the history of fire service evolution in Sonoma County since the early 1980's. Each report contains data points that are useful in documenting the changes in numbers (e.g. agencies, population, calls, stations, apparatus, costs, etc.) over that period. (The seventh report is included primarily for that reason and as it represents the most current look at the system prior to the Board of Supervisors' Fire Services Project.) Each also contains recommendations or suggestions, many of which have been implemented over the years. One potential use of these reports for the current project is to look at the extent to which the recommendations were implemented and attempt to identify the barriers or other reasons that contributed where recommendations weren't fully implemented or implemented at all. To the extent those barriers or reasons still exist, yet the recommendations still offer benefit, the project has attempted to mitigate the barriers and address the current situation to allow for recommendation implementation to proceed.

All but the last report, identify funding and the recruitment and retention of volunteers as a concern, the latter increasing in intensity over the years.

The first two reports include cost effectiveness as a specific focus and are oriented around establishing integrated response to calls for services ignoring jurisdictional boundaries. The reallocation of some available funding to provide a central coordination and support function and allow for reductions in needed apparatus fleets and personnel was seen as a way to be more cost effective, redirecting savings to future improvements.

The first two reports also note that training of personnel needs to be improved in terms of consistency in content and application to all. Later reports touch on the subject, particularly as requirements in this area have increased over time, but do not give an overall assessment which could answer whether the concern noted earlier had been addressed. It may be that such an assessment is needed, along with ways to more effectively provide necessary training in an ongoing fashion.

Many of the reports provide further references that can be used for sources of standards, performance measures, or rules of thumb for developing recommendations. The fourth report is particularly oriented in this way as informing the Board of Supervisors about fire service systems in general was one of that report's goals. The sixth set of documents -- focusing on CSA 40 but having broader applicability to the entire fire service system as a whole, particularly in sources of funding; best practices in staffing and training, facilities and equipment, and leadership and management; and different service delivery models -- is also a good resource for the project.

Several of the reports identify strategic planning and committees of fire chiefs and others with consultant help to identify, evaluate, and select options as the path from the report to the implementation of solutions.

Finally, all the reports discuss consolidation, though most in a theoretical fashion with few firm or specific recommendations. Some acknowledge that there is strong sentiment among the local agencies resistant to consolidation. While some consolidations have occurred over the last 32 years, it appears that fewer have occurred than were anticipated.

### **III. Scope Elements Addressed in the Project**

During Phase One, staff made presentations to 31 individual fire agencies, 7 presentations to the two public ambulance provider agencies, the Emergency Medical Care Council, the City Managers, the Fire District's Association, the Volunteer Fire Company Association, LAFCO and provided updates and information to the Fire Chief's and other stakeholder groups. In addition, staff held 12 other community meetings throughout the county to explain the project to the stakeholder groups and gather input to provide to the Advisory Committee. This effort was designed to both explain the project and gather input with respect to the proposed project scope. The result was a list of over 200 comments, many of which were suggestions to add or refine the scope further.

The Advisory Committee, composed of 70 members from most of the agencies, including fire district board members, fire chiefs and management, fire fighters, and interested members of the public, met and working with staff developed answers to the frequently asked questions among the input; categorized the scope elements into 5 areas (Calls for Service, Finance, Staffing, Community Survey, and Governance Models); and prioritized these for the purposes of developing a set of recommendations in Phase Two. The full list of scope elements and disposition of these in the course of the project will be included in the final report.

One particular interest within the scope of the project was to include a look at emergency medical services as well as fire. It is clear that most calls for service that fire agencies respond to involve medical services, typically as the first responder on scene to assist with initial stabilization so that patients who need further services can be moved safely. The work on the project in this phase does not include any recommendations that are specifically targeted to emergency medical services but the County's EMS agency provided their position regarding changes to ambulance service delivery as a part of the project going forward, along with their support of the efforts to improve services generally and appreciation for the opportunity to take part in the project. Their position statement follows and is intended to be used as information for the implementation of some of the recommendations discussed later in this report.

EMS Agency position on ambulance service changes and limitations.

Sonoma County Fire Services Project recommendations are being created for fire service governance out of the advisory committee and associated sub-committees. EMS Agency participation in any of the committees should be clarified as advisory to the fire services improvement project stakeholders, rather than supportive of any proposed plan to reorganize the delivery of ambulance services county-wide as part of the project. Changes to the provision

of ambulance services must involve additional public process beyond fire services reorganization.

Regarding the inclusion of 911 and or ALS ambulance services within a consolidated fire services organization, regional or county-wide: Under any model, fire service organizations (FSOs) may elect to provide ambulance services in some manner. However, Cities and/or Districts may not establish a protective market that restricts provision of ambulance services. The County may advise the EMS Agency to establish one or more Exclusive Operating Area (EOAs) to create single-provider zone(s). Establishment of such EOAs must be in accordance with state law and regulation specific to that process. Determination of an ambulance provider to serve an EOA must be through competitive selection and based on responses to an RFP. The RFP must include performance requirements and standards of care. The selected provider must enter into a performance-based contract with the County that includes compliance monitoring and enforceable standards. FSOs may choose to participate in the competitive process to serve an EOA as provider of ambulance services. Some areas of the County are outside the LEMSA authority to include within a competitive process based on statutory or court-awarded rights.

Regarding CVEMSA support for any particular FSO model of service that includes ambulance services: The LEMSA must act as an impartial regulator and avoid the perception of working to manipulate the market for ambulance services outside of the established process. CVEMSA should support the efforts of the FSOs to improve fire services, but preface any support with a clear statement that any change to the ambulance services be made in consultation with all health system partners and in accordance with state statute and federal anti-trust law.

#### **IV. Selected Findings**

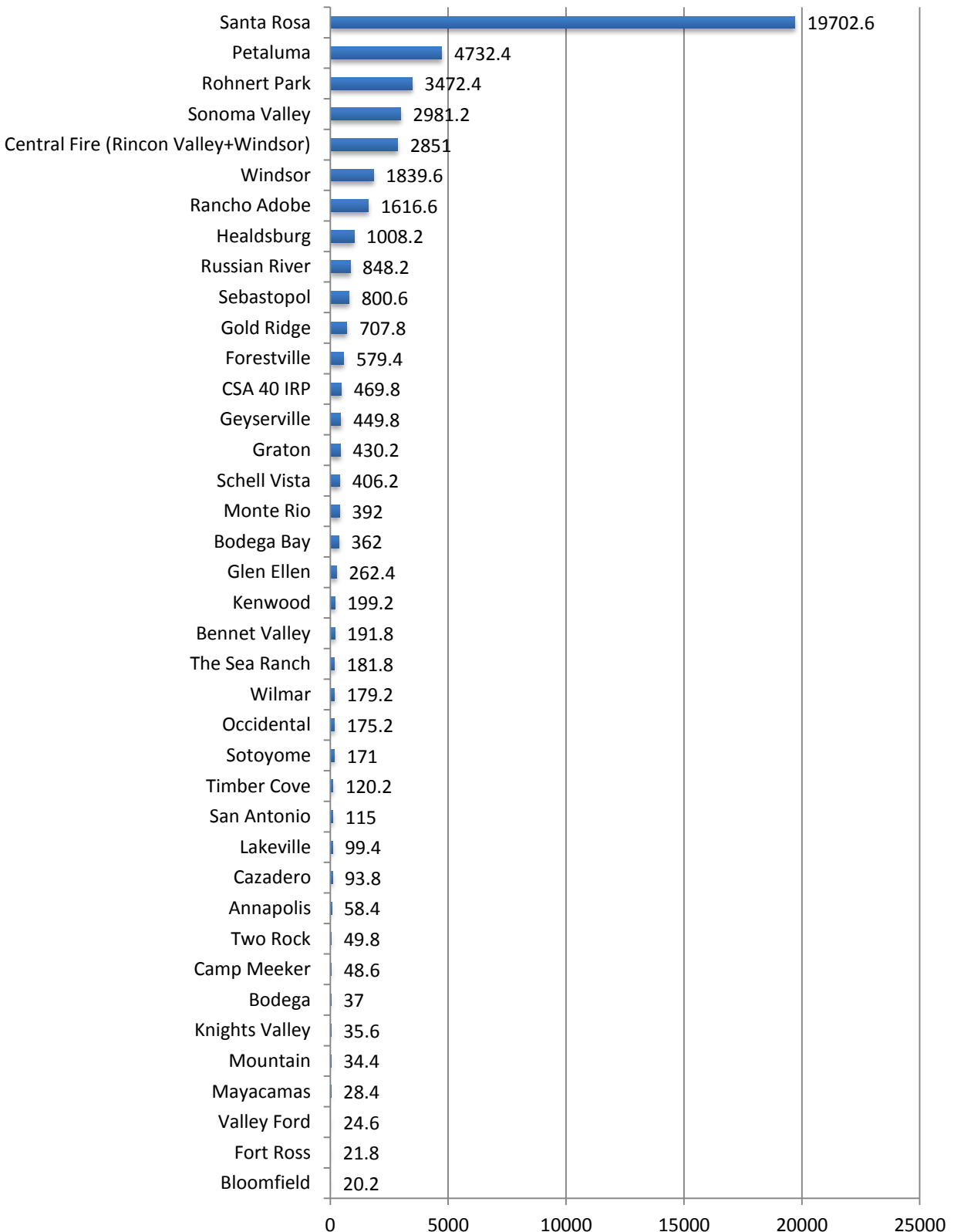
This section discusses some of the data and findings thus far in the project. For ease of organization these are presented with respect to some of the scope elements discussed above (Calls for Service, Staffing, Finance, Community Survey, and Governance) but also touch on other items as well. More detailed data and findings will be included in the final report. It should be noted: with the structure of the project relying on voluntary participation and the difference in data definition and retention between agencies and the sheer number of agencies involved, very often the data sets are not complete reflecting every agency. The exception is for the Calls data where one of the benefits of a central dispatch system for almost all providers is the availability of data for analysis.

##### **A. Calls**

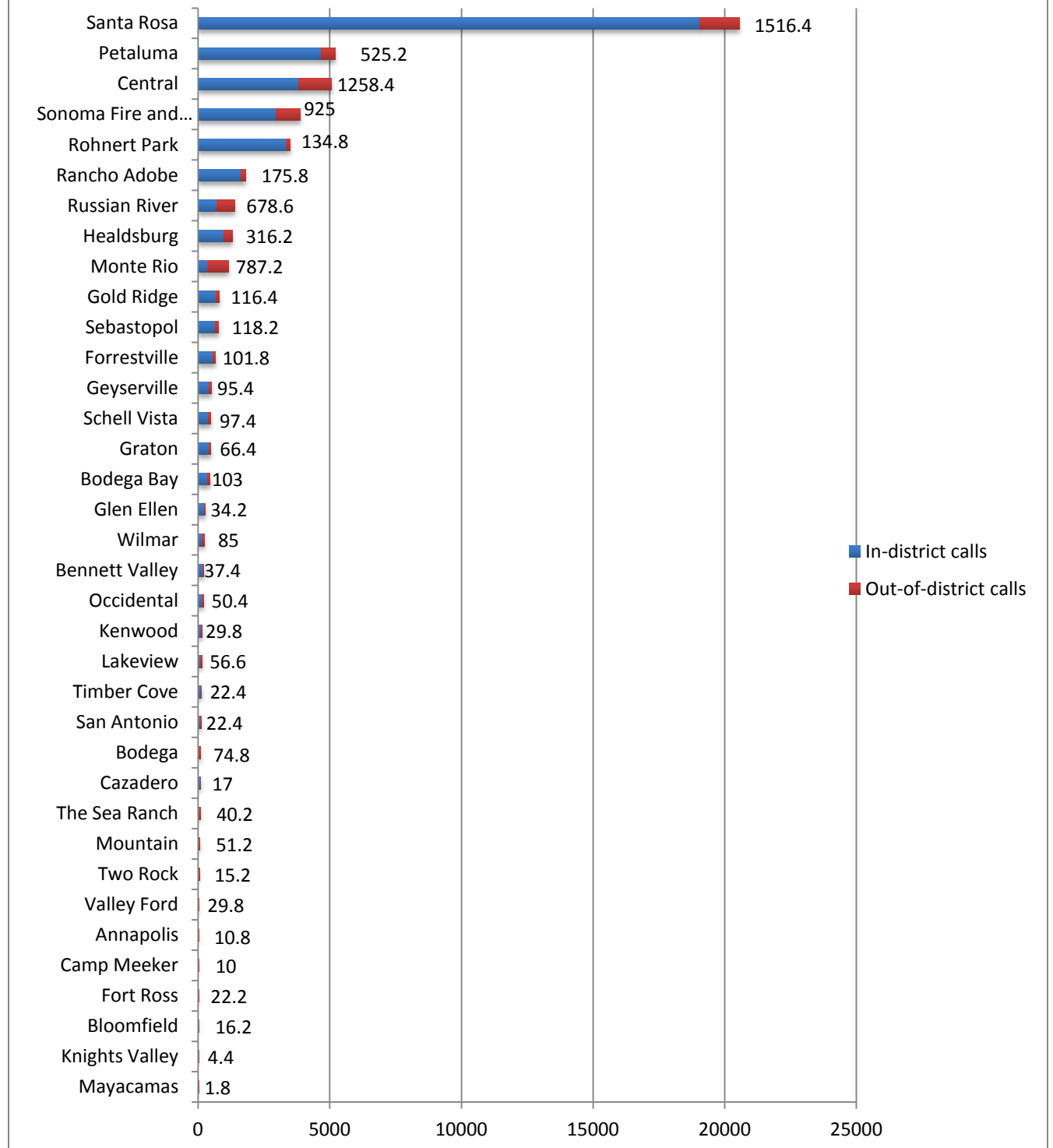
The first two figures on the next pages show: average annual calls for service by area where the call was located and then by agency responding and whether they were responding to a call in their jurisdiction or outside in a mutual aid response. The numbers of calls out side of the jurisdiction of the responder is listed. This shows that while the majority of calls responded to are within the agency, a significant number are outside and that every agency is participating in mutual aid assistance to other agencies.

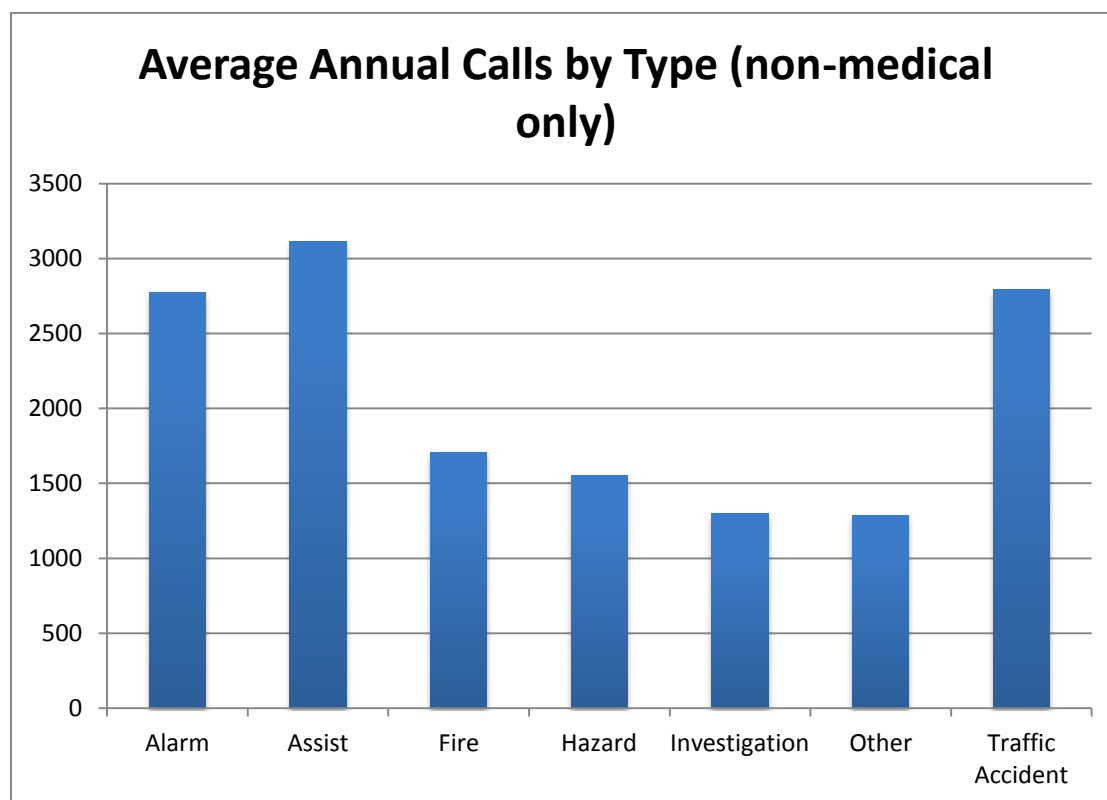
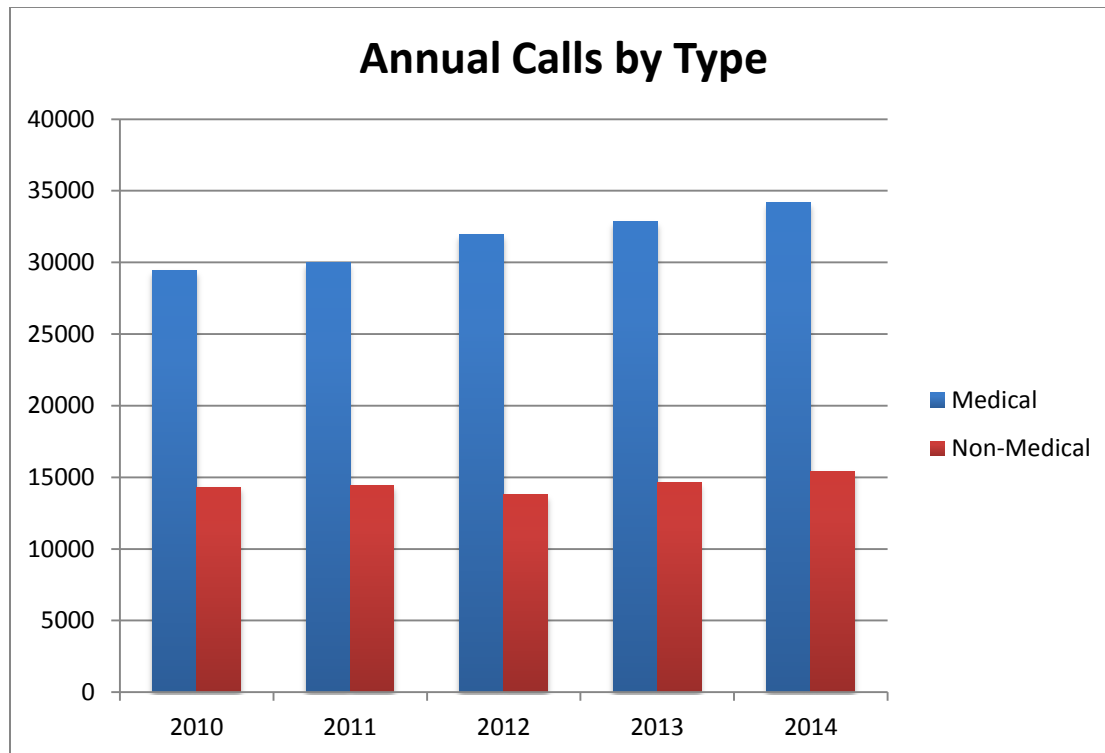
Following these, we break down the calls by type in the next two figures, showing the majority are medical related calls and they seem to be increasing over time. In addition to the variety of call types that are tracked, one can also see that fire calls themselves make up a fairly small proportion of total calls for service.

## Average Annual Calls by Area

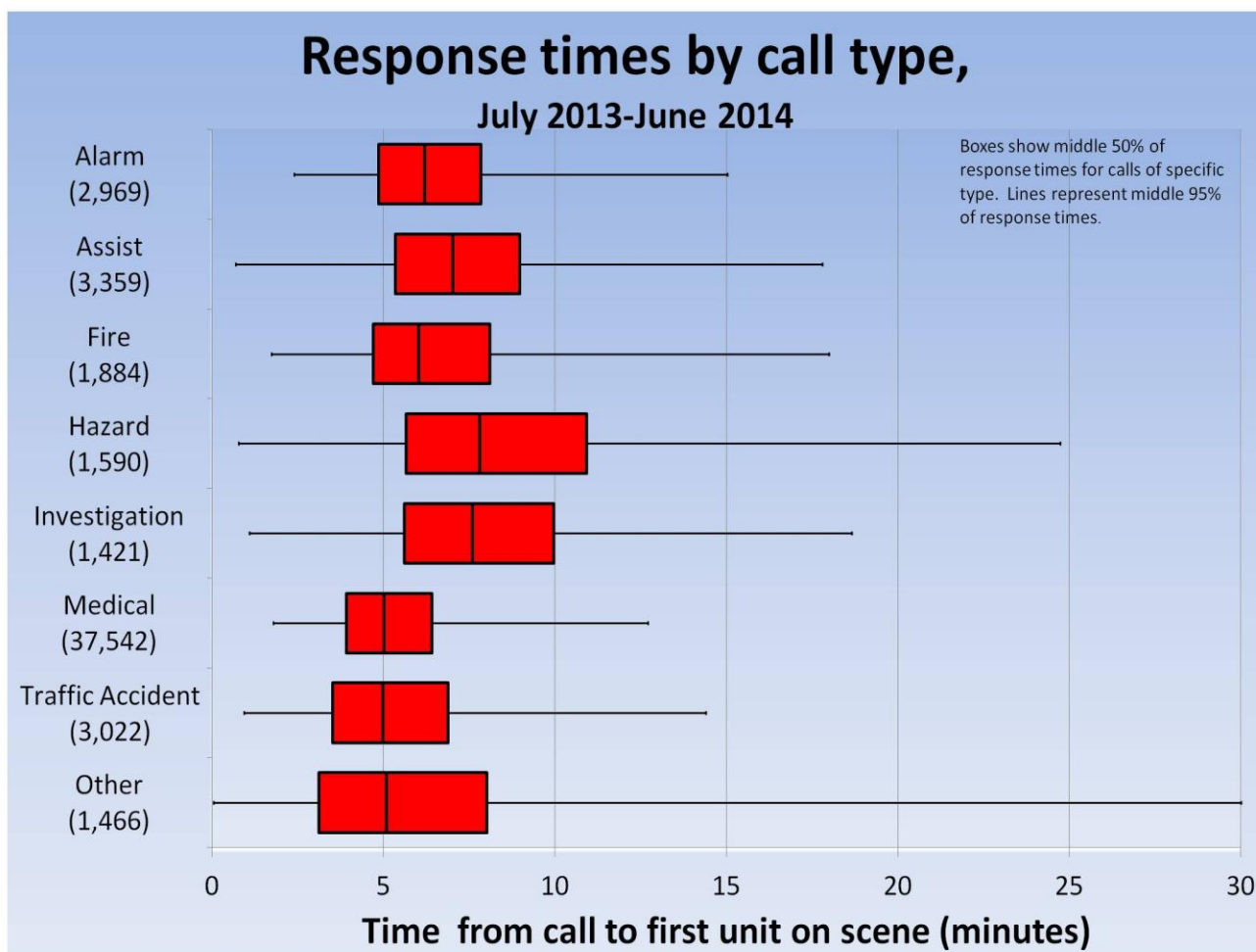


## Average Annual Responses by Agency





Next looking at response times by call type, in this chart only one year was sampled but it was largely representative of the annual calls. The red boxes show the range of length of response times representing the middle 50% of call responses and the lines show the range of length of response times for 95% of the calls.



Looking at that data closer by jurisdiction the project found that the vast majority of fire calls and agency responses meet the applicable National Fire Protection Association standards for their corresponding demand zone as noted on the next page. Most agencies had automated records management systems that track more data pertaining to the calls for service to which they respond. There were 6 different types of systems in use and several are evaluating changes to the systems they use but this is an area where more analysis can be done for highlighting opportunities for standardization, collaboration, and cost savings.

### NFPA 1720 - Response time standards to structure fire for primarily volunteer departments

Demand Zone	Demographics	Minimum Staff to Respond	Response Time (minutes)*	Meets Objective (%)
Urban area	>1000 people/mi <sup>2</sup>	15	9	90
Suburban area	500–1000 people/mi <sup>2</sup>	10	10	80
Rural area	<500 people/mi <sup>2</sup>	6	14	80
Remote area	Travel distance ≥ 8 mi	4	Directly dependent on travel distance	90
*Time from dispatch to arrival				

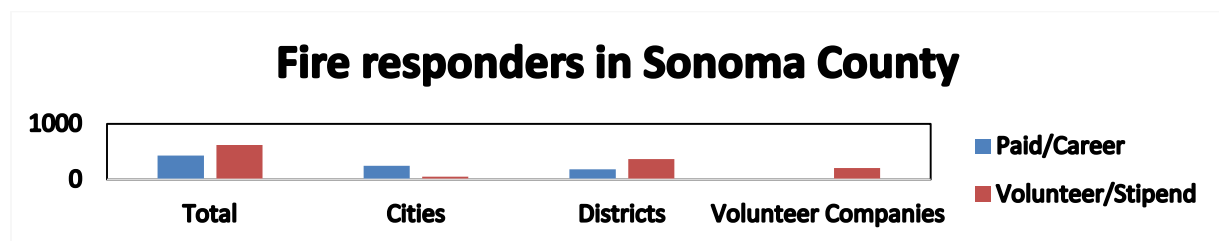
### NFPA 1710 Standards - Response to structure fire for primarily career departments

Step	Timeline	Notes
Turnout time*	80 seconds	60 seconds for EMS call
Travel time for first engine	4 minutes	90% of the time
Travel time for full response	8 minutes	Should always be met
Total time to first unit on scene	6 minutes	
Total time to full response	10 minutes	
*Time begins after dispatch		

The project also developed a geographic information system based tool to look at much of the call data which will be useful in completing a full Standards of Cover analysis for the areas that do not currently have one and to plot where staffing, equipment, and facilities should be located in collaborative efforts to provide the most effective responses.

#### B. Staffing

34 (including 5 cities) of the 42 agencies provided staffing information. Of these there were a total of 1114 individuals listed as firefighting or emergency personnel. Since most agencies did not provide names of their staff, it was difficult to determine how many of these are unique individuals but it is clear that some firefighters contribute time to more than one agency.

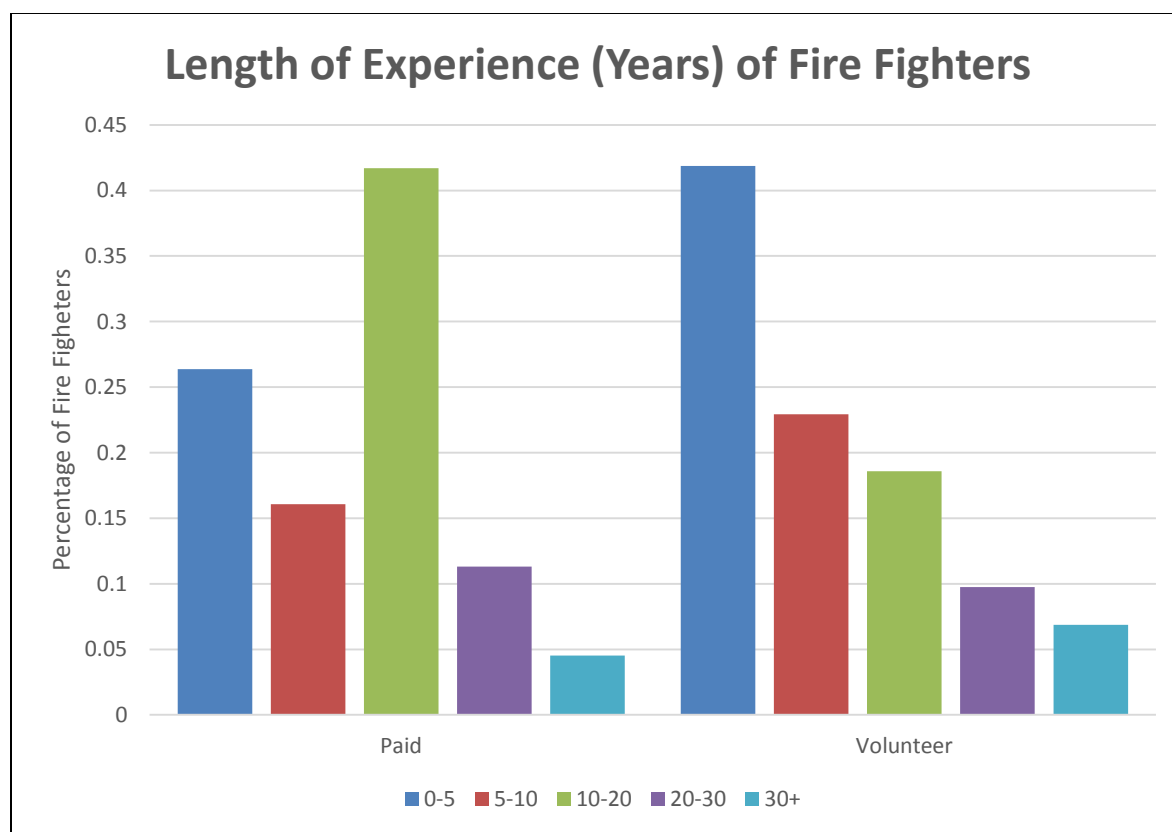


About 60% of the individual listed were identified as volunteers (though some received some minimal payment in that role) and 40% were paid either full or part-time. The majority of agencies use some volunteers and provide some level of benefits to their volunteers. Examples of these benefits include some pay stipends per call or for standby station coverage or training event, workers compensation insurance, line of duty death insurance, memberships in the California State Firefighters Association, reimbursements for licensing fees, tuition, travel expenses for training and certification, physical exams, clothing and accessories, as well as retention benefits like recognition for merit, and length of service. The value of these items varied between agencies. The project found that standardizing these items where possible might lead to the ability to recruit volunteers more widely and take advantage of economies of scale for recruitment efforts.

Roughly half of the volunteers were classified as “very active” with the remainder split evenly for most agencies between “moderately active” and “less or minimally active”.

The cities accounted for 311 of the individuals and indicated that 260 of those were paid. Three districts account for another 111 of the paid staff and two more districts that provide ambulance services account for another 31, leaving 32 paid firefighters among the 24 other agencies reporting many of which are all volunteer operations.

The following chart shows information on length of experience for the firefighters



Experience also relates to age of the personnel. Of the agencies reporting age information the breakdown into categories is as follows:

Age range	Total	Volunteer	Paid
Less than 20 years	9	9	0
In their 20's	241	182	54
In their 30's	243	110	133
In their 40's	188	80	108
In their 50's	151	88	63
In their 60's	89	86	3
70 or older	33	31	2
Total	954	586	363

This suggests that nearly 1/3 of the total, and a higher proportion of the volunteer force, may be looking at reducing their involvement in active fire service in the future. At the same time more than 40 percent of the volunteer force has 5 years or less experience.

While very few agencies were able to provide historical personnel roster information, this chart may also provide some indication of the magnitude of the turnover that was anecdotally noted by many of the agencies as they train new younger volunteers who are then able to move to paid career positions. Further, it was noted that this demographic trend is not unique to Sonoma County and with the much larger workforce relatively close by in the Bay Area, turnover of volunteers may increase in the near future.

Fifteen agencies provided information on hours spent on non-emergency response related, primarily administrative efforts. The total for these fifteen was over 50,000 hours per year or about 25 full time equivalents per year. The majority of this time was paid time. This is an area that would likely provide savings due to consolidations and collaborative efforts though it was not possible to quantify how much given the data that was available.

### C. Equipment and Facility Information

Data was also collected on the number, features, and condition of vehicles and station facilities. This was intended to provide a sense of the deferred costs that might exist as a result of financial pressures experienced by the agencies. These two sets of investments, along with total firefighter and responder staffing, were identified by prior studies as additional areas where savings from consolidation and collaboration could occur as each agency may not have to bear the burden of maintaining as many of these resources in a shared environment.

The table on the following page shows information on the 363 vehicles listed by the 36 agencies reporting.

	Total	% 10 years old or more	Oldest age in years
Ambulance	15	40%	15
Boat	14	43%	29
Engine	141	67%	47
Ladder Truck	2	100%	15
Other	32	63%	68
Rescue/Squad/Utility/Truck	127	50%	45
Water Tender	32	88%	39

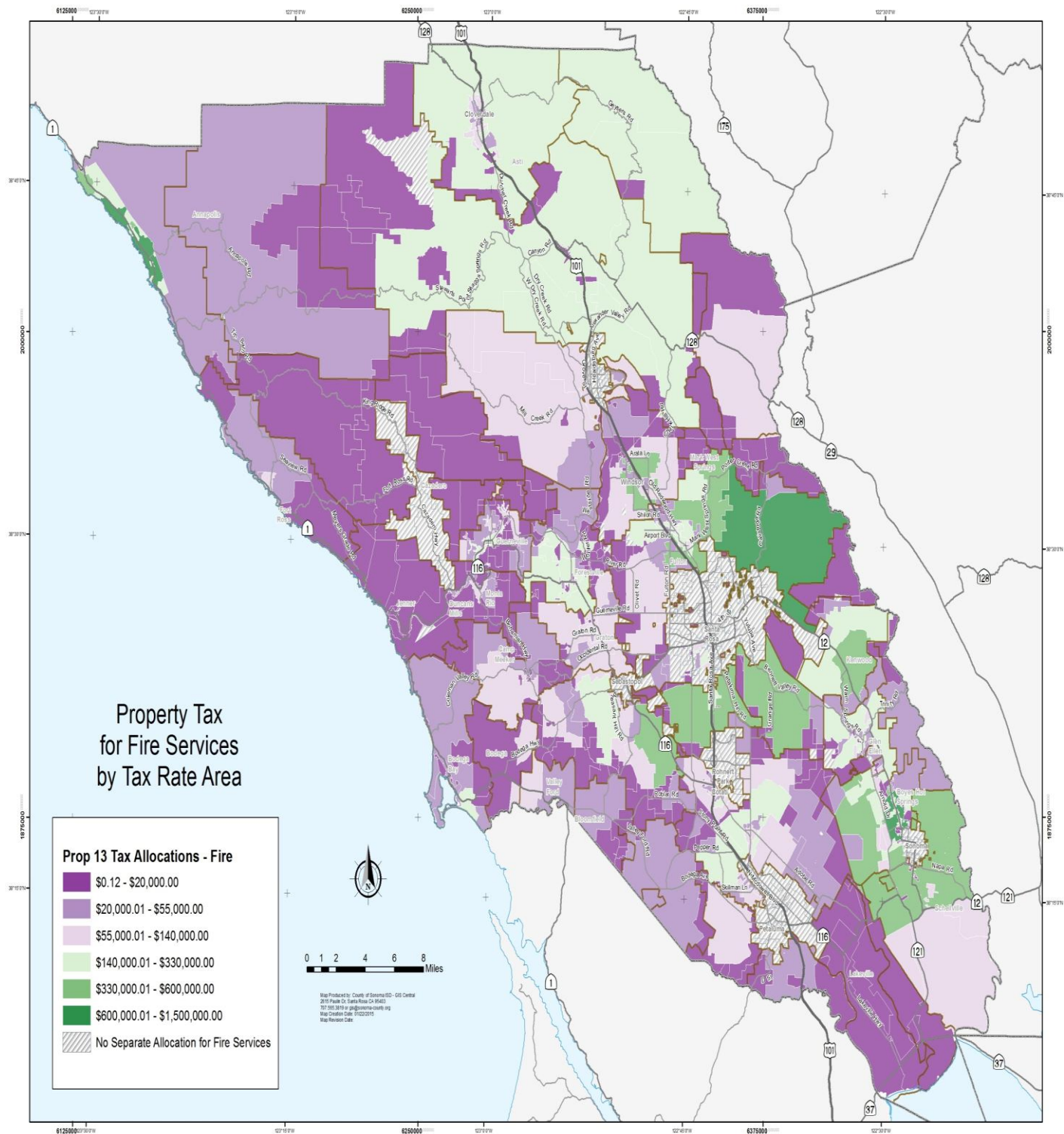
There were 91 facilities identified by 37 agencies that reported facilities information. They range from simple office or storage space to multi-bay, full service, stations. Of the 56 facilities with ages provided they ranged in age from 2-75 years old with 23 listed as 25 years old or less. Of the 36 facilities with condition information, 10 needed major work including seismic retrofits, roof replacement, additions or total replacement. The other 26 needed more minor repairs or none at all. A general estimate of approximately \$50 million was made for the identified facility needs, though no effort to quantify whether there might be any reductions to this figure based upon existing financial reserves for this purpose (or for equipment replacement) due to the nature of the data and the potential for collaboration or consolidations.

#### D. Finances

The fire agencies in the unincorporated area of the county (other than the tribal, state, and federal government agencies) are primarily financed by property taxes and the primary costs are for staffing. City agencies are funded out of city general fund resources that include sales taxes and property taxes and other fees, many of which are not broken out for the purposes of identifying the proportions supporting fire protection services. Most of the property taxes are ad valorem, based upon the assessed valuation of the property and allocated initially based upon the AB 8 factor put in place to implement Prop. 13 as discussed above. Some agencies have also adopted additional direct charge property taxes based on a determined risk factor or a flat charge. These are voter approved additional taxes to provide for greater levels of fire protection services. In some cases, those additional voter approved taxes occurred before Prop. 13 and accounted for some of the differences in the AB 8 factors between various tax rate areas in the County.

The map on the next page shows the range of ad valorem property tax dollars for fire protection in the unincorporated county (not including any taxes approved after Prop. 13 for greater levels of services). Dark purple areas generate the least and dark green areas generate the most. Total dollars generated in an area are driven by the AB 8 rate *and the underlying property values*. The map shows a wide variety of property tax dollars generated for fire throughout the county. This range of funding led to an interest to try to establish some recommendation for a minimum AB 8 factor, or its equivalent, to fund baseline services and

also a potential concern when dealing with consolidations or collaborations between areas with widely disparate funding contributions toward fire protection services.



It is important to note that along with concerns about loss of identity, there were concerns expressed by stakeholders that the taxes they generate would be used to serve someone else if agencies consolidate. This also applies to assets like equipment and facilities that have been purchased or reserves which have been generated for future purchases. These concerns have been addressed elsewhere in consolidations and in many cases involve the recognition of enhanced levels of service in identified zones, not unlike the way voter approved additional special taxes noted above are handled within an existing agency's jurisdiction.

Budget and actual financial data was easiest to collect from the independent fire districts and County Fire and Emergency Services since for many years these agencies used the County's financial system. City financial information was less available, particularly for prior years and the separate financial data associated with the 501 c 3 volunteer fire companies was also not readily available for the most part.

Even where data was available, the definitions for what was included in some of the revenue and expenditure items were not consistent across agencies so much of the financial data analysis occurred at a very high level.

Some of the financial data is presented below, first looking at the average of five fiscal years from FY 9-10 to FY 13-14 for 20 independent fire protection districts and then the 14 of those districts that are mostly or entirely staffed with volunteers.

Average annual amounts (FY 9/10 – FY 13-14)	20 Fire Districts	14 mostly volunteer Districts
SALARIES/EMPLOYEE BENEFITS	17,254,398	5,115,504
SERVICES/SUPPLIES	5,241,172	3,183,614
OTHER CHARGES (Transfers and Debt Service)	5,456,399	1,289,588
OTHER FINANCING USES (Transfers)	1,522,590	1,173,324
RESIDUAL EQUITY TRANSFERS OUT	125,000	0
CAPITAL ASSETS	696,439	530,527
APPROPRIATIONS FOR CONTINGENCIES	12,620	8,000
<b>TOTAL EXPENDITURES</b>	<b>30,309,157</b>	<b>11,300,556</b>
TAXES (ad valorem and direct charges)	25,294,657	9,121,930
CHARGES FOR SERVICES (ambulance billings)	1,155,606	1,360
INTERGOVERNMENTAL REVENUES (state & federal)	1,352,646	811,874
LICENSES/PERMITS/FRANCHISES	3,178	1,818
MISCELLANEOUS REVENUES (donations and reimbursements)	1,063,520	730,503
OTHER FINANCING SOURCES (Transfers and Debt Proceeds)	504,662	157,049
USE OF MONEY/PROPERTY (interest and rent)	161,730	94,415
<b>TOTAL REVENUES</b>	<b>29,535,999</b>	<b>10,918,949</b>

While salaries and benefits account for 57% of average expenditures for all 20 districts, they still account for 45% of average expenditures for those that are mostly volunteer operations. Taxes account for 86% of average revenues for all districts and 83% of those that are mostly volunteer operations. Within Services and Supplies expenditures, various maintenance costs account for about 14% for both groups. Contract services account for 15% of the mostly volunteer districts Services and Supplies costs and 9% over all districts. Dispatch costs account for 9% of Supplies and Services costs over all districts followed by about 5% each for County Services, fuel costs, insurance, and utilities.

With respect to revenues, the taxes are about 75% from ad valorem property tax and 25% from direct charges across all districts. The proportion is 84%/16% among those that are mostly volunteer operations. Charges for Services are 80% ambulance billings across all districts and none of the mostly volunteer districts operate ambulances. Intergovernmental revenues are about 50% from the state across all districts but about 80% state for the mostly volunteer operations. About 50% of Miscellaneous Revenues are listed as donations and reimbursements for all districts and that proportion remains the same for the mostly volunteer operations.

The trend for total expenditures across all districts was increasing about 7% per year over the 5 year period but salaries and benefits only averaged 2% per year increases during that time. For mostly volunteer operations the total expenditure trend was an average of 9% per year and salaries and benefit costs averaged 5% per year. The expenditure trend appeared to be driven by capital expenditures, debt service, and transfers between funds for all districts and those that were mostly volunteer operations. The trend for total revenues was only 2-3% average increase for those years, for all districts and mostly volunteer operations and this trend tracked closely to average tax revenue growth.

Next is a look at County Services Area 40 for the same period.

<b>Average annual amounts (FY 9/10 – FY 13-14)</b>	<b>CSA 40</b>
SALARIES/EMPLOYEE BENEFITS	1,561,754
SERVICES/SUPPLIES	1,404,543
OTHER CHARGES (Transfers and Debt Service)	3,632
OTHER FINANCING USES (Transfers)	788,740
RESIDUAL EQUITY TRANSFERS OUT	107,263
CAPITAL ASSETS	68,060
<b>TOTAL EXPENDITURES</b>	<b>3,933,994</b>
TAXES (ad valorem and direct charges)	2,898,995
CHARGES FOR SERVICES (ambulance billings)	334,353
INTERGOVERNMENTAL REVENUES (state & federal)	229,368
FINES/FORFEITURES/PENALTIES	224
DONATIONS AND REIMBURSEMENTS	319,339
MISCELLANEOUS REVENUES	341,941

OTHER FINANCING SOURCES (Transfers)	88,475
USE OF MONEY/PROPERTY (interest and rent)	22,134
<b>TOTAL REVENUES</b>	<b>3,915,490</b>

County Services Area 40 provides fire protection in the unincorporated county not part of an independent fire protection district. These fire protection services are provided by volunteer fire departments and other neighboring agencies under contracts with the County. The property taxes here are all ad valorem as the areas within CSA 40 that have other special voter approved taxes show those taxes and expenses in separate budget units. This budget does include property taxes generated by the Sea Ranch and the Other Financing Uses is primarily comprised of transfers of some of those taxes to a separate budget unit for the Sea Ranch area services.

Salaries and benefits account for 40% of total expenditures but about 20% of these total costs are reimbursed based on non fire protection services provided by some of the staff in this budget to other portions of the county department of Fire and Emergency Services. Service and Supply expenditure costs are driven by 25% for contract services, due to the service delivery model noted above; 6% maintenance costs of various kinds; 9% for the department's share of county services, and roughly 5% each for data processing costs, insurance, county cars, clothing, and dispatch costs. With respect to revenues, 77% of Intergovernmental revenues come from the state. Expenditures averaged a 1% increase per year while the revenue trend was flat across the 5 year period.

Comparing to 32 years ago

	1983 – (Hughes Heiss)	FY 13-14
County Population	320,000	500,000
Cities	175,000	325,000
Unincorporated	145,000	175,000
# Fire Agencies	52	44
Cities	7	5
Districts	17	20
VFC's	25	15
Other	3	4
Budget	\$11.2 million	\$82 million
Cities	\$5.6 million	\$45 million
Districts	\$5 million	\$37 million
VFC's	\$600,000	?
Calls for Service	13,500	50,000
Cities	7,500	32,000

Unincorporated	6,000	18,000
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The project did not have sufficient data to identify the causes for the differences total change for budgets or calls for services over the 32 years but if these trends continue the system will certainly be significantly stressed.

Some of the reasons for the calls for service increasing faster than the population appear to be changes in what people call for assistance with, increased access to those services through technology, increased incidents due to increased visitors and increased population density using the same roadways and the like. In addition some of the reasons for costs increasing beyond the rate of increases in calls for services have been noted above associated with new or more costly insurance and safety regulations. In addition, the shift from volunteers to paid staff has also contributed. Furthermore many of these components have a compounding effect on one another, acting as multipliers as opposed to simply adding on to the preceding element.

Despite the inability at this stage to definitively identify and quantify all of the contributing factors, the trends for calls for services increases have slowed over the last 5 years (3% per year vs over 4% per year for the 32 year period) and so have the majority of the costs from the data we have (salaries and benefits at 2-5% per year vs over 6% per year for the 32 year period). Still these trends both outpace revenue growth so recommendations to make fire services more efficient and effective are needed in order to remain sustainable for the future and those will likely need time to be implemented during which increased funding will likely be needed to avoid reductions in services.

## **V. FIRE SERVICES ADVISORY COMMITTEE RECOMMENDATIONS**

### **A. Governance Model**

The project's Advisory Committee recommended a Regional Governance Model in order to institutionalize the on-going effort to incentivize collaborations between fire agencies and use resources more effectively for fire service delivery.

The Regional Model starts by dividing the county into 7 Regions coterminous with the boundaries of the 7 current zones used in emergency dispatch for calls for service today.

Each of the agencies (volunteer companies, independent fire protection districts, and incorporated municipalities) directly providing fire protection services in a region would have a seat on a regional council or committee which would meet to encourage collaboration and sharing of services for efficiencies and better integrated responses in the region. Agencies within the region would also be encouraged to reach formal agreements memorializing these efforts. These agreements could include joint powers authorities for the purposes of pooling resources; a formal consolidation or merger between the agencies; or some other hybrid arrangement developed by the agencies.

The Regional Model also includes a countywide Fire Services Advisory Council. This Council would be appointed by the Board of Supervisors but 7 of the appointees would be selected, one each, by the regional councils, and the selection of the two remaining appointees made by the Board of Supervisors.

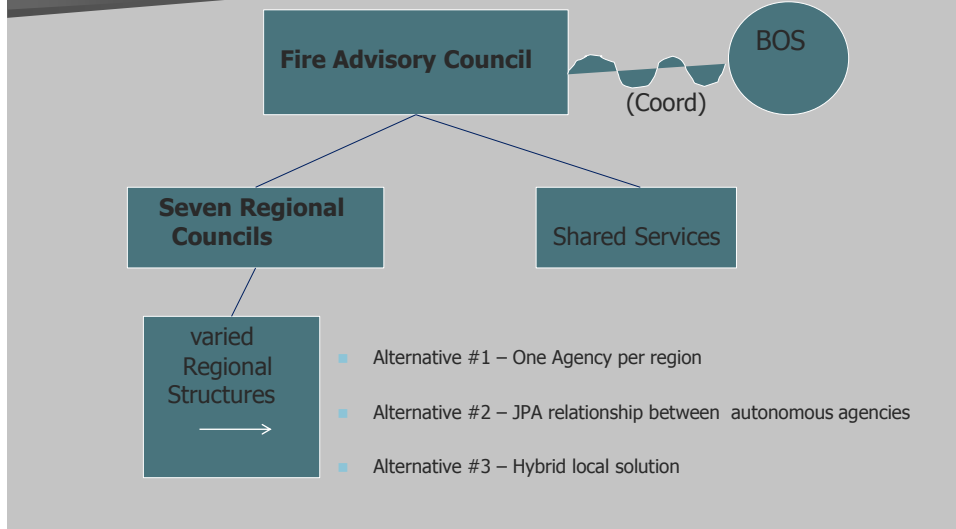
The Fire Services Advisory Council would exist to distribute new annual funding for incentivizing individual collaboration efforts as forwarded to the Council by the individual regions, distribute funding designed to support volunteer recruitment and retention efforts throughout the county, make recommendations and help coordinate shared services that are provided centrally at the County level for some or all agencies (e.g. fire prevention activities, training, pooled purchasing, and more as they are developed), and make recommendations to the Board of Supervisors on fire funding and fire issues going forward.

Ultimately, the Advisory Committee also recommended that a single agency providing fire services within the county is a long-term vision that should be kept in mind by each of the Regional Councils and the Countywide Fire Services Advisory Council to help guide the decision-making when developing shared services and collaborations. In addition, each agency should be encouraged to explore opportunities for mutually beneficial collaborations with CAL FIRE and other agencies within or outside of their region that would result in cost effective improvements to the delivery of services in their area.

While more a service delivery model opportunity than a governance model recommendation, the Advisory Committee did explore and receive estimates from CAL FIRE for providing services within County Services Area 40, as one agency, and encourages others to explore and evaluate further such opportunities. CAL FIRE, a valued partner providing services throughout the county and participant in the project Advisory Committee, has indicated that it is “very interested in fostering cooperative relationships with its allied agencies and discussing mutually beneficial fire protection arrangements.”

The following figure illustrates the Regional Model recommendation.

# REGIONAL GOVERNANCE MODEL



## B. Funding Requests and Allocations for Fiscal Year 16-17 and Beyond

The project's Advisory Committee's funding recommendations can be separated into several different categories or "buckets" most of which are annual on-going needs and currently total approximately \$9.5 million. The funding requests are for new funds, not the reallocation of any existing taxes or other funds.

1. First, \$1 million should be set aside annually for incentivizing collaboration as discussed above and to be allocated by the Advisory Council. Examples of eligible uses would include: costs for consolidations or mergers between agencies in order to achieve greater efficiencies in operations and service delivery by reducing administration costs and standardizing where possible; or contributions to assist with the addition of a shared resource (e.g. personnel, equipment, apparatus, or even facilities) between agencies where each participating agency may be able to contribute some but not all of the cost and by partially or wholly funding the shared resource a service delivery need can be maintained or enhanced more cost effectively over time.
2. Second, \$1 million should be set aside annually for supporting volunteer recruitment and retention efforts countywide. This should also be allocated by the Advisory Council with the idea that standardizing pay and benefit practices between agencies, sharing volunteers, and combined recruiting efforts will support the fire system's

use of volunteers more effectively than each agency increasing efforts on its own to address this nationwide issue.

3. Third, a recommendation was made with the recognition that an important component of supporting the system everywhere is to assist with each agency's resources, to ensure that service reduction is not required during the transition to a more effective and sustainable system in the future. The recommendation was to assist where an agency's resources were fixed at particularly low levels as a result of Proposition 13, have been reduced over the last several years, or where costs have increased, partially driven by visitors as opposed to residents in the areas served by the various agencies. The current annual total identified for these "buckets" is \$7.2 million.

This is composed of \$3.7 million to provide the equivalent of 6% of the property tax dollar for fire protection minimum for all tax rate areas in the unincorporated county; \$2.1 million to replace property tax dollars shifted to schools by the state under ERAF; \$600,000 to replace fire property tax dollars shifted to redevelopment; \$800,000 for REDCOM dispatch costs; and \$23,000 to replace property tax dollars lost when properties have been taken off the tax rolls for other public purposes.

Dispatch costs were selected as a key incremental cost paid by all fire agencies, that is a cost driven specifically by a call for service (e.g. gas, vehicle maintenance, medical supplies) as opposed to a cost associated with being ready to provide services generally (vehicles, stations, insurance). This was seen as a good way to address the incremental costs borne by all agencies that have risen as a result of increases in visitors, as opposed to residents of an area served by each agency, who are either at a visitor destination in the area served by the agency or in transit to such an area somewhere in the county.

The amounts in most of these "buckets" grow each year driven by increases in valuation and other factors. The specific recommendation made by the Advisory Committee with respect to loss of property taxes due to properties being taken off the tax rolls for other public purposes covers the properties identified back to 2005, the extent of the current automated records that were easily accessible. It would also extend to the future with a request that the agency taking any future properties off the tax roll would be responsible for ensuring that the appropriate fire agencies revenues would continue at the base value. The Advisory Committee also recommended that further study and funding allocations be made to ensure that no agency operated with funding equivalent to no more than 20% of its properties off the tax rolls.

4. Fourth, the Advisory Committee also recognized that certain agencies are already receiving assistance to avoid reductions in service levels and, due to a series of

potential district formations or annexations, significant reductions in resources for County Services Area 40 may be coming. The Committee recommended that to the extent that additional resources provided to these agencies as a result of the funding allocated in the “buckets” in the third category above was insufficient to cover these needs, additional funding should be provided. If all of the funds are provided in the third recommendation above and all of the known potential district formations or annexations were to occur, this fourth recommendation would total approximately \$200,000 annually.

5. Finally, the Advisory Committee identified that a baseline analysis called a “Standards of Cover” has not been conducted in all areas of the County. Standards of Cover are used to better define the level of service that a community is willing to pay for when taking into account the unique hazards and risks in a particular community. This information would be very helpful as the recommendations above are implemented, particularly for prioritizing among collaboration efforts, therefore the Advisory Committee also recommended the one-time use of remaining project funds to complete a Standards of Cover review for the areas in the county currently without one and to update existing Standards of Cover as needed so that a countywide baseline can be established. This cost was estimated at \$150,000 and would be a one-time cost.

The Advisory Committee chose not to recommend specific sources of funding for the above new funding requests with the exception of the REDCOM dispatch costs which were recommended to come from Transient Occupancy Taxes (TOT) due to the nexus of incremental costs associated with visitors many of whom are paying these taxes to the County during their visits.

In the future, the project’s Advisory Committee recommends that the allocations generally follow the guidelines of 50% of the available funds be allocated to the Advisory Council for the first two categories above and 50% be allocated to the third category of buckets (with the understanding that anything needed for the fourth category would be taken proportionately from the first two). The project’s Advisory Committee also recommends that the Advisory Council be charged with making further recommendations to the Board in adjusting these allocations between and within the categories as needed based upon available funds.

#### C. Current Fiscal Year Funding Allocation Recommendation

The Advisory Committee did offer an additional allocation recommendation for the current fiscal year in order to assist with the allocation of the current \$990,000 set aside from Prop 172 funds. That is first, to the extent that insufficient funding from TOT or other sources is available to cover the dispatch costs in the current year, then supplement with the \$990,000. Then, use available project funds to implement the recommendations associated with setting up the Advisory Council and the Standards of Cover effort and cover any minor shortfalls if remaining

project funds are insufficient. Then, purchase a set of policies and protocols known as “Lexipol” to make those available to all agencies at a cost of approximately \$100,000. This is to continue the process of standardization of operations that is one important facilitating component for a variety of further collaborations. Then, purchase the services of a grant writer at a cost of \$30,000 to pursue a 2016 volunteer recruitment and retention Aid to Firefighters grant opportunity. Then, cover the tax losses for properties taken off the tax rolls and allocate the remainder proportionately among agencies with ERAF shifts. This recommendation was made with the understanding that the existing County budget contains funds sufficient to assist the two agencies (Bodega Bay and Cloverdale Fire Protection Districts) that have been facing the need to make reductions in services while the project has been underway for the remainder of the year and that the impacts to County Services Area 40 due to potential district formations or annexations in the remainder of this fiscal year should be manageable since they will not be completed for the majority of the fiscal year.

#### D. Alternatives Considered

This section discusses the alternatives that the Advisory Committee considered in the course of this phase of the project.

With respect to governance models; a single agency model was considered but rejected at this time as unfeasible (the likelihood of all agencies agreeing at this point to pursue and the likelihood of significantly higher costs at least initially – estimates from \$150-\$225 million annually, as compared to the approximately \$82 million involved today). The Advisory Committee did reach consensus that such a model should be considered a long term vision as a guide for those involved in the Regional model going forward though there was no specified time frame for achieving the vision or any clear determination that there would ever be a single agency, countywide, recognizing that each agency would have to decide for itself to combine with others.

Another set of alternatives looked at, though really a set of service delivery alternatives as opposed to governance models, included the purchase of services from other agencies ranging from single services for an individual agency; to central services (e.g. procurement, or training) contracted from one provider to all agencies; and to the purchase of all fire protection services for an area or countywide from one agency. Specifically, as noted above, there was some additional interest in getting estimates from CAL FIRE for a range of services from additional shift coverage staffing in specified areas, to all of the fire protection services currently provided for County Services Area 40, and all fire protection services countywide. The first of these was declined by CAL FIRE at this time since it is not a service model they are set up to provide. The second did result in an initial estimate for an alternate method of service delivery but did not cover all current services and would need be looked at further by CAL FIRE and the County if there was any interest to pursue this. The Advisory Committee decided that as a group, they were not going to come up with recommendations for any individual agency to pursue but would encourage individual agencies to consider such options as appropriate for them under

the Regional Model going forward. The third option was rejected by the Advisory Committee in that, similar to the single agency approach, it would be infeasible to recommend at this time.

Another governance model alternative, referred to as the Enhanced Current Model, reflected the same governance structure as today but with individual recommendations for improvements. These were:

1. Consolidations of Volunteer Fire Companies, districts, and annexations and formations could be of benefit and could occur under this model
2. Consistency of other pay practices for volunteers regardless of agency and consideration of benefit offerings such as insurance premiums or contributions for health, life, auto, with the understanding that total cost of benefits and pay must meet certain federal requirements with respect to 20% of paid staff cost maximums.
3. Cover membership in the California State Firefighters Association for all volunteers
4. New consolidated programs for recruitment and retention efforts regardless of agency
5. Better communication of changes (particularly with automated response recommendations at dispatch) as they occur
6. Development of Joint Power Agreements for shared services – specifically for shared services seen in other models (Regional and Single Agency)
7. Funding for stations and apparatus regardless of agency (coming from central source).
8. Funding for disaster assistance that would reduce the time an agency is “out of pocket” before State reimbursement.
9. Funding for countywide Standards of Coverage efforts where these have not already occurred
10. Possible formation of a new district with a separate Board of Directors replacing County Services Area 40

It was recognized that all of the above can happen in the Regional Model and this “model” lacked any sort of overall coordination. Thus the decision-making for allocations of funds between priorities would rest with the Board of Supervisors until some other method was devised. In addition, all but e. above come with costs to implement and were included in the list of options for receipt of funding that ultimately became a part of the funding recommendation set.

There was also a discussion regarding consolidation vs. development of joint powers agreements and joint powers authorities. The final Regional Model selected provided for both of these options within and between regions.

With respect to funding allocations, the Committee reviewed various potential benchmarks for establishing an amount of new funding to request but ultimately accepted a subcommittee suggestion that such a benchmark would be more meaningful after the completion of a Standards of Cover for the remaining areas as that process would be informative with respect to the service levels that the community could choose to fund. Nonetheless, the Committee felt it could recommend some initial dollar amounts for collaborative incentives and the countywide volunteer recruitment and retention efforts, the former was set a \$1 million in order to ensure a significant amount of funding was available for incentives and a similar amount was selected for the latter based upon successful recent grant funded activities in County Services Area 40.

With respect to the minimum AB 8 factor equivalent of 6%, the Committee did look at alternatives for lesser minimum rates or greater minimum rates. There was a recognition that 6% began to approach a minimum for a much larger set of tax rate areas and to increase above this amount would be significantly more costly whereas lesser rates were much less widespread other than those outside of independent fire districts at the time of Prop. 13. The replacement funds for those shifted to ERAF or redevelopment or lost to properties taken off the tax rolls were looked at as replacement funding in order to avoid service reductions while transitions to consolidated agencies or more collaborative service arrangements that save money for the agencies involved and would allow each agency to address deferred priorities that would vary agency to agency. The alternative of reviewing each agency's financial condition and making more detailed recommendations per agency was not considered as per in the discussion of contracting for services above. Ultimately, the Advisory Committee felt that the place for those evaluations to occur would be at the Regional Council and Countywide Advisory Council levels as efforts were made to access collaborative incentive funds.

Generally the Committee rejected tying any recommended funding allocation to any particular source of funds as it felt that it did not have enough information about available funds and other priorities for those funds to make such a recommendation and also were concerned about tying any of these recommended allocations to a particular source due to whatever fluctuations may occur to that source. The exception, as noted above, was with respect to the Transient Occupancy Tax and its perceived nexus to incremental cost increases to serve visitors without a revenue source to fund those increased incremental costs. Using the Transient Occupancy Tax to fund dispatch, as one of those incremental costs, was selected not only for administrative ease as one of the more significant incremental costs, but also due to the historical origins of the move to a central dispatch system being paid for by a central source from the County in the past.

The Committee prioritized the various options for funding, combining some of ideas that had been generated under broader categories and deferring recommendations on the loan program for cashflow purposes when assisting on State mutual aid assignments, and unmet facility or reserve needs that individual agencies may have until the results of collaborative efforts are realized. The criteria used for prioritization included:

- Meeting the Board's three guiding principles
  - Result in quality of service levels equal to or greater than those existing today
  - Improve the cost effectiveness
  - Reflect a countywide view
- Helps as many as possible
- Addresses known service delivery needs/shortfalls
- Sustains before improving
- Saves money
- Can be implemented more quickly
- Recovers lost funding
- Encourages Cooperation
- Encourages Consistency
- Encourages Volunteers Countywide
- Encourages Participation

## **VI. Draft Outline for Final Written Report on Fire Services Project**

This section provides the outline for the final written report for the project. It is presented here in order to ensure the organization of the final report meets the Board's needs as the project enters the final phase. Any guidance provided by the full Board or a 2016 Ad Hoc Committee, if one is constituted for this purpose, will be incorporated.

- I. Executive Summary
- II. Introduction
  - a. Purpose
  - b. Guiding Principles
  - c. Description of Process
- III. Background, Process, and Findings
  - a. History of Fire Service Generally and in Sonoma County

- b. Review of Prior Fire Service Studies and earlier implementation actions
- c. Process
- d. Results of Phase I input from stakeholders (Appendix with master list of all comments and scope elements, their disposition, and frequently asked questions)
- e. Findings and Organization of Recommendations

#### IV. Recommendations – Approved by the Board

- a. Governance Models
- b. Financial Recommendations
- c. Other Cooperation and Coordination recommendations

#### V. Implementation Steps

- a. Community Outreach and Report Out to Stakeholder Agencies for Project
- b. Who is doing or has done what to implementation the supported recommendations